

**CONSOLIDATED INSURANCE TRUST**  
**INVESTMENT PERFORMANCE REPORT AS OF SEPTEMBER 30, 2003**

	September-03							August-03					July-03					Current FYTD		Prior Year FY03		3 Years Ended 6/30/2003	5 Years Ended 6/30/2003
	Allocation			Returns-Quarter		Returns-Month		Allocation			Returns-Month		Allocation			Returns-Month		Returns		Returns			
	Market Value	Actual	Policy (1)	Gross	Net	Gross	Net	Market Value	Actual	Policy (1)	Gross	Net	Market Value	Actual	Policy (1)	Gross	Net	Gross	Net	Gross	Net		
LARGE CAP DOMESTIC EQUITY																							
Structured Growth																							
Los Angeles Capital	19,857,766	1.9%	1.8%	N/A	N/A	-1.66%	-1.68%	20,193,951	1.9%	1.8%	N/A	N/A	-	0.0%	0.0%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
AllianceBernstein	-	0.0%	0.0%	N/A	N/A	N/A	N/A	19	0.0%	0.0%	N/A	N/A	19,581,423	1.9%	1.8%	3.57%	3.55%	N/A	N/A	-1.58%	-1.88%	-21.24%	-6.07%
Total Structured Growth	19,857,766	1.9%	1.8%	5.06%	4.99%	-1.66%	-1.68%	20,193,970	1.9%	1.8%	3.16%	3.13%	19,581,423	1.9%	1.8%	3.57%	3.55%	5.06%	4.99%	-1.58%	-1.88%	-21.24%	-6.07%
Russell 1000 Growth				3.92%	3.92%	-1.07%	-1.07%				2.49%	2.49%				2.49%	2.49%	3.92%	3.92%	2.94%	2.94%	-21.54%	-5.03%
Structured Value																							
LSV	18,954,419	1.8%	1.8%	3.87%	3.75%	-1.00%	-1.04%	19,114,310	1.8%	1.8%	3.30%	3.27%	18,523,165	1.8%	1.8%	1.56%	1.52%	3.87%	3.75%	-1.81%	-2.25%	8.84%	3.73%
Russell 1000 Value				2.06%	2.06%	-0.98%	-0.98%				1.56%	1.56%				1.49%	1.49%	2.06%	2.06%	-1.02%	-1.02%	-0.19%	1.05%
S&P 500 Index																							
State Street	87,461,451	8.2%	8.3%	2.65%	2.64%	-1.07%	-1.07%	90,943,363	8.7%	8.3%	1.95%	1.95%	89,205,566	8.8%	8.6%	1.77%	1.77%	2.65%	2.64%	0.28%	0.23%	-11.28%	-1.69%
S&P 500				2.64%	2.64%	-1.06%	-1.06%				1.95%	1.95%				1.76%	1.76%	2.64%	2.64%	0.25%	0.25%	-11.20%	-1.62%
TOTAL LARGE CAP DOMESTIC EQUITY	126,273,636	11.9%	11.9%	3.19%	3.15%	-1.15%	-1.16%	130,251,643	12.4%	11.9%	2.33%	2.32%	127,310,154	12.5%	12.3%	2.02%	2.00%	3.19%	3.15%	-0.33%	-0.48%	-9.33%	-1.90%
S&P 500				2.64%	2.64%	-1.06%	-1.06%				1.95%	1.95%				1.76%	1.76%	2.64%	2.64%	0.25%	0.25%	-11.20%	-1.62%
SMALL CAP DOMESTIC EQUITY																							
Manager-of-Managers																							
SEI	64,733,201	6.1%	5.9%	9.70%	9.48%	-1.51%	-1.58%	69,984,115	6.7%	5.9%	4.90%	4.83%	66,698,139	6.6%	6.1%	6.18%	6.11%	9.70%	9.48%	0.91%	0.09%	N/A	N/A
Russell 2000 + 200bp				9.60%	9.60%	-1.68%	-1.68%				4.75%	4.75%				6.43%	6.43%	9.60%	9.60%	0.36%	0.36%	N/A	N/A
TOTAL SMALL CAP DOMESTIC EQUITY	64,733,201	6.1%	5.9%	9.70%	9.48%	-1.51%	-1.58%	69,984,115	6.7%	5.9%	4.90%	4.83%	66,698,139	6.6%	6.1%	6.18%	6.11%	9.70%	9.48%	0.91%	0.09%	-3.49%	1.64%
Russell 2000				9.07%	9.07%	-1.85%	-1.85%				4.58%	4.58%				6.26%	6.26%	9.07%	9.07%	-1.63%	-1.63%	-3.30%	0.97%
CONVERTIBLES																							
TCW	120,979,345	11.4%	11.6%	1.95%	1.85%	0.25%	0.22%	120,676,623	11.5%	11.6%	0.92%	0.89%	119,566,275	11.8%	12.0%	0.77%	0.74%	1.95%	1.85%	10.67%	10.23%	-9.51%	3.90%
First Boston Convertible Index				2.67%	2.67%	0.56%	0.56%				1.64%	1.64%				0.45%	0.45%	2.67%	2.67%	15.46%	15.46%	-3.77%	5.29%
INTERNATIONAL EQUITY																							
Large Cap - Active																							
Capital Guardian	68,229,620	6.4%	6.3%	8.29%	8.14%	-0.22%	-0.27%	71,383,301	6.8%	6.3%	3.49%	3.44%	68,972,888	6.8%	6.5%	4.87%	4.82%	8.29%	8.14%	-9.79%	-10.31%	-15.85%	0.02%
MSCI EAFE - 50% Hedged				6.58%	6.58%	0.41%	0.41%				2.77%	2.77%				3.28%	3.28%	6.58%	6.58%	-11.24%	-11.24%	-15.51%	-5.33%
Small Cap - Value																							
Lazard	9,260,759	0.9%	0.8%	10.17%	9.92%	5.69%	5.61%	8,769,096	0.8%	0.8%	3.17%	3.09%	8,506,428	0.8%	0.8%	1.04%	0.96%	10.17%	9.92%	N/A	N/A	N/A	N/A
Citigroup Broad Market Index < \$2BN				15.95%	15.95%	5.70%	5.70%				6.30%	6.30%				3.20%	3.20%	15.95%	15.95%	N/A	N/A	N/A	N/A
Small Cap - Growth																							
Vanguard	8,984,731	0.8%	0.8%	15.24%	14.95%	5.50%	5.41%	8,523,757	0.8%	0.8%	4.17%	4.08%	8,189,811	0.8%	0.8%	4.87%	4.78%	15.24%	14.95%	N/A	N/A	N/A	N/A
SSB BROAD MARKET INDEX < \$2BN				15.95%	15.95%	5.70%	5.70%				6.30%	6.30%				3.20%	3.20%	15.95%	15.95%	N/A	N/A	N/A	N/A
TOTAL INTERNATIONAL EQUITY	86,475,110	8.1%	7.8%	9.14%	8.97%	0.92%	0.86%	88,676,154	8.5%	7.8%	3.53%	3.48%	85,669,127	8.4%	8.1%	4.46%	4.40%	9.14%	8.97%	-8.65%	-9.20%	-15.51%	0.27%
MSCI EAFE - 50% Hedged				6.58%	6.58%	0.41%	0.41%				2.77%	2.77%				3.28%	3.28%	6.58%	6.58%	-11.24%	-11.24%	-15.51%	-5.33%
DOMESTIC FIXED INCOME																							
Core Bond																							
Western Asset	303,966,523	28.6%	28.6%	-0.12%	-0.16%	3.40%	3.38%	283,789,806	27.1%	28.6%	1.33%	1.31%	280,205,565	27.6%	29.5%	-4.67%	-4.69%	-0.12%	-0.16%	12.97%	12.77%	11.23%	8.12%
Lehman Aggregate				-0.14%	-0.14%	2.65%	2.65%				0.66%	0.66%				-3.36%	-3.36%	-0.14%	-0.14%	10.39%	10.39%	10.07%	7.54%
Index																							
Bank of ND	166,281,665	15.6%	16.0%	-0.45%	-0.46%	3.08%	3.08%	156,445,473	14.9%	15.9%	0.60%	0.60%	155,511,795	15.3%	16.5%	-4.00%	-4.00%	-0.45%	-0.46%	13.33%	13.26%	10.87%	7.78%
Bank of ND CD'S	12,617,743	1.2%	1.2%	0.88%	0.88%	0.29%	0.29%	12,581,804	1.2%	1.2%	0.30%	0.30%	12,544,667	1.2%	1.2%	0.30%	0.30%	0.88%	0.88%	3.64%	3.64%	4.85%	5.09%
Total Index	178,899,408	16.8%	17.2%	-0.35%	-0.37%	2.87%	2.87%	169,027,277	16.1%	17.1%	0.58%	0.57%	168,056,462	16.6%	17.7%	-3.69%	-3.70%	-0.35%	-0.37%	12.26%	12.20%	10.35%	7.51%
Lehman Gov/Credit				-0.50%	-0.50%	3.17%	3.17%				0.66%	0.66%				-4.19%	-4.19%	-0.50%	-0.50%	13.14%	13.14%	10.82%	7.83%
BBB Average Quality																							
Strong	127,424,717	12.0%	11.4%	0.06%	0.02%	3.87%	3.86%	122,668,216	11.7%	11.4%	1.40%	1.39%	121,050,004	11.9%	11.8%	-5.00%	-5.01%	0.06%	0.02%	18.15%	17.91%	N/A	N/A
Lehman US Credit BAA				0.27%	0.27%	3.97%	3.97%				0.98%	0.98%				-4.49%	-4.49%	0.27%	0.27%	18.33%	18.33%	N/A	N/A
TOTAL DOMESTIC FIXED INCOME	610,290,648	57.4%	57.2%	-0.15%	-0.18%	3.35%	3.34%	575,485,299	54.9%	57.1%	1.12%	1.11%	569,312,031	56.1%	59.0%	-4.46%	-4.48%	-0.15%	-0.18%	13.93%	13.76%	11.00%	7.93%
Lehman Gov/Credit				-0.50%	-0.50%	3.17%	3.17%				0.66%	0.66%				-4.19%	-4.19%	-0.50%	-0.50%	13.14%	13.14%	10.82%	7.83%
CASH EQUIVALENTS																							
Bank of ND	55,193,542	5.2%	5.5%	0.30%	0.30%	0.10%	0.10%	62,886,117	6.0%	5.6%	0.10%	0.10%	46,383,840	4.6%	4.4%	0.10%	0.10%	0.30%	0.30%	1.57%	1.57%	3.26%	4.15%
90 Day T-Bill				0.25%	0.25%	0.10%	0.10%				0.08%	0.08%				0.07%	0.07%	0.25%	0.25%	1.52%	1.52%	3.33%	4.08%
TOTAL INSURANCE TRUST	1,063,945,482	100.0%	100.0%	1.80%	1.74%	1.70%	1.68%	1,047,959,951	100.0%	100.0%	1.62%	1.59%	1,014,939,566	100.0%	101.9%	-1.49%	-1.51%	1.80%	1.74%	8.85%	8.59%	2.63%	5.42%
POLICY TARGET BENCHMARK				1.40%	1.40%	1.68%	1.68%				1.29%	1.29%				-1.55%	-1.55%	1.40%	1.40%	8.73%	8.73%	3.31%	5.35%

**NOTE: Monthly returns and market values are preliminary and subject to change.**

(1) Because each fund within the Insurance Trust has a different policy allocation, the consolidated report reflects a weighted average of all of the funds' policy allocations.